RTC REVIEW

RESOLUTION TRUST CORPORATION

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* **RTC's Authority to Take Over New Thrift Failures Expired on July 1, 1995.**

* **747 Thrifts Resolved by RTC from its Inception in August 1989 Through June 1995. 25.0 Million Deposit Accounts have been Protected.**

* **RTC Sold or Collected Assets with a Book Value of $2.1 Billion in May, $447 Billion, Net of Assets Put Back to RTC, Since Inception.**

* **Recoveries on Asset Reductions Totaled $1.6 Billion (76% of Book Value) in May, $390 Billion (87% of Book Value) Since Inception.**

ASSET INVENTORY

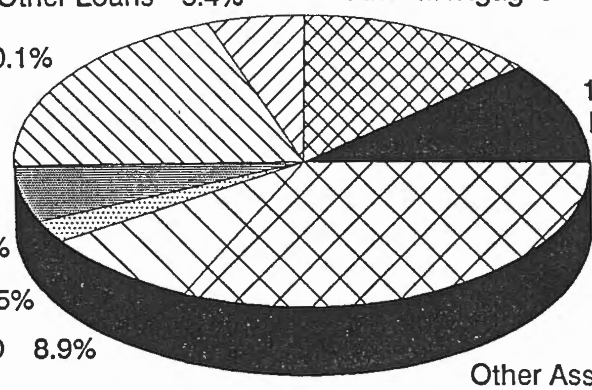
In May, the amount of assets under RTC management decreased from $20 billion to $18 billion. The decrease in assets reflects the ongoing sales effort by the RTC to reduce its asset inventory. The $18 billion of assets under RTC management on May 31 consisted of: $2 billion in cash and securities, $2 billion in performing 1-4 family mortgages, $3 billion in other performing loans, $4 billion in delinquent loans, $2 billion in real estate, $4 billion in investments in subsidiaries, and $2 billion in other assets.

Many of these assets are low quality and less marketable assets. Real estate and delinquent loans represented 29% of total assets, whereas cash, securities, and performing 1-4 family mortgages represented 20% of total assets. The $18 billion excludes approximately $14 billion in cash, liquid investments, and accounts receivable accumulated from receivership collections. Many of these accounts are restricted; about half are securitization reserve funds.

ASSET REDUCTIONS

In May, the proceeds of asset sales and other principal collections were $1.6 billion. This included $1.4 billion in sales proceeds and $0.2 billion in principal collections. From inception through May, the RTC collected $158 billion from securities, $106 billion from 1-4 family mortgages, $56 billion from other mortgages, $31 billion from non-mortgage

TOTAL ASSETS
UNDER RTC MANAGEMENT
As of May 31, 1995



(Percentage Of Gross Assets)

(Dollars in Billions)

	Amount	Percent Gross Assets
Cash & Investment Securities*	$1.1	6.3%
Mortgage Backed Securities	0.5	2.5
Performing Loans - Total	5.4	30.3
1-4 Family Mortgages	2.0	11.3
Construction & Land	0.2	1.2
Other Mortgages	2.2	12.3
Other Loans	1.0	5.4
Delinquent Loans - Total	3.6	20.1
1-4 Family Mortgages	0.4	2.1
Construction & Land	0.6	3.2
Other Mortgages	2.0	11.2
Other Loans	0.6	3.6
Real Estate Owned	1.6	8.9
Subsidiaries	4.1	22.6
Other Assets	1.7	9.3
Gross Assets	$17.9	100.0%

Data based on preliminary 5/31/95 information
Number of institutions: 747

* Excludes $14.0 billion in cash, investments (including restricted investments), and accounts receivable accumulated by receiverships.

loans, $17 billion from real estate, and $23 billion from other assets.

In terms of book value, May sales and collections were $2.1 billion. The average recovery rate on the collection of these assets was 76%. During the month, the RTC recovered 81% from securities, 97% from 1-4 family mortgages, 33% from other mortgages, 49% from non-mortgage loans, 63% from real estate, and 33% from other assets.

From the inception of the RTC through May, book value asset reductions were $447 billion, and the RTC recovered 87% on these collections. From inception, the RTC has recovered 98% from securities, 96% from 1-4 family mortgages, 75% from other mortgages, 89% from non-mortgage loans, 55% from real estate, and 63% from other assets.

The RTC also collected $0.1 billion in receivership income in May. From its inception to May 31, 1995, the RTC has collected $20.3 billion in receivership income.

THRIFT CLOSINGS

In May, the RTC closed its final institution under the Accelerated Resolution Program (ARP), bringing the total number closed by the RTC to 747. At the end of May, no institutions remained in the RTC's conservatorship program. The RTC closed no institutions in June and its authority to take over failed institutions expired on July 1, 1995.

RTC resolutions have protected 25.0 million deposit accounts from financial loss. These accounts had an average account balance of $9,000.

These institutions held $241 billion in assets at the time of resolution. Of the total, $51 billion of assets, or 21%, were sold to acquirers (after taking into account assets returned to the RTC under putback provisions of resolution transactions).

Estimated resolution costs for the 747 closed thrifts totaled $90.1 billion. The $90.1 billion represented 32% of their total liabilities at the time of resolution. These figures reflect the changes in estimated resolution costs made when preparing the RTC's 1994 year-end financial statements. If the insured deposits of all 747 institutions had been paid out to depositors, the estimated resolution cost would have been $94.8 billion. The $4.7 billion difference represented the estimated savings, or premiums, over insured deposit payout costs. For all resolutions since inception, these savings were equal to 3% of core deposits, represented by deposits with balances below $80,000. More recently, savings have increased and were 11% of core deposits in 1995.

Of the 747 cases, 497 were purchase and assumption transactions (P&As), in which deposits, certain other liabilities, and a portion of the assets were sold to acquirers. Another 158 were insured deposit transfers (IDTs), in which the acquiring institutions served as paying agents for the RTC, established accounts on their books for the depositors of the failed institutions, and acquired some of their assets in many cases. The remaining 92 were insured deposit payoffs (POs) in which the RTC directly paid depositors their insured deposits and retained all of the assets.

Most attractive franchises were resolved using P&As, and these acquirers paid considerably higher premiums over deposit payoff costs: 3.19% of core deposits, compared to 0.67% for IDTs. Although only 67% of RTC resolutions were P&As, these transactions accounted for 82% of the deposits that have been made whole by the RTC.

The P&A transactions included 39 Accelerated Resolution Program (ARP) cases, in which the institutions were closed without first being placed in the conservatorship program.

Asset Reductions By Type of Asset

(Dollars in Millions)

Inception To Date

	Sales Proceeds	Principal Collections	Total Sales & Principal Collections	Discount from Book Value	Total Book Value Reduction
Securities	$97,501	$60,547	$158,048	$3,491	$161,539
1-4 Family Mortgages	77,975	27,881	105,856	4,183	110,039
Other Mortgages	33,554	22,355	55,909	18,270	74,179
Other Loans	14,710	15,880	30,590	3,888	34,477
REO	16,709	0	16,709	13,577	30,286
Other Assets	7,284	15,627	22,911	13,495	36,406
TOTAL	$247,734	$142,290	$390,024	$56,902	$446,927

May 1995

	Sales Proceeds	Principal Collections	Total Sales & Principal Collections	Discount from Book Value	Total Book Value Reduction
Securities	$63	$38	$100	$23	$123
1-4 Family Mortgages	1,246	28	1,273	45	1,318
Other Mortgages	51	46	97	198	295
Other Loans	20	3	23	24	47
REO	51	0	51	30	81
Other Assets	4	87	91	183	274
TOTAL	$1,434	$202	$1,636	$503	$2,139

1995 Year to Date

	Sales Proceeds	Principal Collections	Total Sales & Principal Collections	Discount from Book Value	Total Book Value Reduction
Securities	$434	$1,070	$1,505	$47	$1,552
1-4 Family Mortgages	1,915	193	2,109	229	2,337
Other Mortgages	435	288	723	1,114	1,837
Other Loans	186	75	262	229	491
REO	260	0	260	255	515
Other Assets	180	537	717	702	1,419
TOTAL	$3,411	$2,164	$5,575	$2,576	$8,150

Notes: Data for inception through May 31, 1995 are net of putbacks recorded to date.

Resolution sales are shown at book value. Proceeds of assets sales at resolution are not separable from amounts paid for deposits of resolved thrifts.

Data exclude asset transfers between receiverships, subsidiaries, and RTC Corporate.

The distribution of sales and collections for receiverships for 1989 and 1990 is estimated.

SOURCES AND USES OF FUNDS

From its inception through May 31, 1995, the RTC obtained $107 billion in funds from the following external sources: $50 billion in FIRREA appropriations, $41 billion in subsequent loss funds authorized by Acts of Congress, and $17 billion in Federal Financing Bank (FFB) borrowings. The RTC also obtained $119 billion in recoveries from receiverships.

The FIRREA appropriations include $30.1 billion from REFCORP, $18.8 billion in Treasury funding, and $1.2 billion in FHLB contributions. The Resolution Trust Corporation Funding Act of 1991 and the RTC Refinancing, Restructuring, and Improvement Act of 1991 provided for an additional $30 billion and $25 billion, respectively, in loss funds through Treasury appropriations. The Improvement Act allowed the RTC to obligate funds for new resolutions up to April 1, 1992. On April 30, 1992, the RTC returned $18.3 billion to the Treasury Department that had not been obligated by the April 1, 1992 deadline. The RTC Completion Act, enacted into law on December 17, 1993, authorized the Treasury to provide the RTC with up to $18.3 billion in loss funds. If more than $10 billion is needed, the Secretary of the Treasury must certify that the RTC is complying with specified management reforms. As of May 31, 1995, $4 billion of the $18.3 billion had been released by the Thrift Depositor Protection Oversight Board to fund resolutions.

Working capital, obtained from the FFB, is used for the temporary funding of assets retained by the RTC when institutions are resolved. Working capital has also been used to replace high-cost liabilities and meet liquidity needs of conservatorship institutions. The RTC's outstanding borrowings and other liabilities are subject to a limitation prescribed by FIRREA.

SOURCES AND USES OF FUNDS
($ in billions)
Inception through May 31 ,1995

SOURCES:	
Initial Treasury Appropriations	$ 18.8
FHLB Contribution	1.2
REFCORP Borrowings	30.1
Additional Appropriations	40.7
FFB Borrowings	16.5
Total External Sources	107.3
Recoveries from Receiverships	119.3
TOTAL SOURCES	$226.6
USES:	
Resolutions and Receivership Funding	$ 217.0
Conservatorship Advances Outstanding *	0.0
FFB Interest	9.6
Other Disbursements (Net)**	-1.1
TOTAL USES	225.4
NET CASH AVAILABLE	$ 1.1

* Conservatorship balances are net principal balances outstanding.
** Includes expenses paid on behalf of conservatorships and other corporate disbursements, less interest payments and expense reimbursements received from conservatorships and other sources.

The 747 resolutions through May 31 required outlays of $217.0 billion from the RTC. Interest on FFB borrowings was $9.6 billion. This left $1.1 billion in cash on hand on May 31.

NEWS NOTES

TWO FLORIDA RESIDENTS FOUND GUILTY OF DEFRAUDING RTC

A former asset manager for a south Florida asset management company, and a south Florida resident were found guilty on June 16 in federal court in Pensacola, Florida, on charges of defrauding the RTC, mail fraud, and conspiracy.

Steven P. Bens of Jacksonville, Florida, was employed as a senior asset manager with an asset management firm under contract with the RTC to manage and sell assets from several failed savings and loans in Florida.

Bens was responsible for selling assets and negotiating loan settlements.

According to a March 22, 1995, indictment, Bens and S. Lowery Heaver of Oakland Park, Florida, devised a scheme to defraud the RTC by falsely inflating to borrowers the bottom-line payoff figures of their loans. Bens offered borrowers bottom-line payoff figures that were higher than the figures authorized by the RTC. Bens then secretly passed information to Heaver about the borrowers and the amounts actually authorized for settlement.

Heaver, falsely representing himself as a vice president of a mortgage brokerage firm in Boca Raton, Florida, contacted the borrowers and offered to negotiate a reduced payment on their behalf for a consulting fee of one-third the difference between the figures. Bens then obtained authorization for the predetermined lower bottom-line figure, and at closing, the borrowers paid Heaver the consulting fee. Heaver and Bens split the consulting fees.

Bens faces a maximum penalty of 55 years in prison, followed by 20 years supervised release; a $2,250,000 fine; and a $300 special assessment. Heaver faces a maximum sentence of 25 years in prison, followed by 15 years supervised release; a $1,250,000 fine; and a $250 special assessment. Sentencing for Bens and Heaver will take place in September. A specific date has not been determined.

This case was investigated by special agents of the RTC's Office of Inspector General (OIG). For further information, contact Clark W. Blight of the RTC OIG on 703-908-7860.

FURTHER INFORMATION

All RTC public documents, including RTC press releases and policy statements, are available from the RTC Reading Room at 202-416-6940. Written requests should be mailed to the RTC Reading Room, 801 17th Street, NW, Washington, DC 20434-0001.

To receive the RTC Review monthly, write to: RTC Office of Corporate Communications, 10th Floor, RTC Review Mailing List, 801 17th Street, NW, Washington, DC 20434-0001.

RTC Resolutions
Inception to May 31, 1995
(Dollars in Billions)

Deal Type *	Number of Cases	Total Assets	Estimated Savings Over Payout Cost	Estimated Savings/ Core Deposits **	Percentage of Assets Passed***	Total Deposits	Number of Accounts (000's)
IDT	158	$30.3	$0.1	0.67 %	12.42 %	$31.0	2,985
PA	497	203.4	4.6	3.19	23.30	181.3	21,401
PO	92	7.8	0.0	0.00	0.00	8.4	619
Total	747	$241.5	4.7	2.78 %	21.14 %	$220.6	25,005

* Deal Type:
IDT = Insured Deposit Transfer
PA = Purchase of Assets and Assumption of Liabilities
PO = Insured Deposit Payoff

** Core deposits are estimated as deposits with balances below $80,000.

*** Assets passed are net of putbacks.

Note: Asset and estimated cost data reflect post–closing revisions and may differ from data previously released. Number of Accounts are as of quarter before resolution.

Commonly Dialed RTC Telephone Numbers

National Sales Center	(202) 416–4200
Real Estate Information Center and Orders for Asset Inventory	(800) 782–3006
Asset Specific Inquiry Service	(800) 782–3006
Securities Sales (Capital Markets)	(202) 416–7554
Contracting Office	(800) 541–1782
Office of Corporate Communications – Media Inquiries	(202) 416–7556
Low Income Housing Program	(202) 416–2823
Asset Claims	(202) 416–7262
Information Center ATI (Complaints)	(800) 348–1484

RTC Small Investors Program	(800) 421–2073
RTC Special Resources Clearinghouse	(800) 466–6288
Reading Room – Public Information	(202) 416–6940
Main Operator	(202) 416–6900
RTC California Office	(800) 283–9288
RTC Dallas Office	(800) 782–4674
RTC Kansas City Office	(800) 365–3342
RTC Atlanta Office	(800) 628–4362
RTC Valley Forge Office	(800) 782–6326

Note:
California Office – CA, AZ, CO, HI, NM, NV, UT
Dallas Office – LA, MS, TX
Kansas City Office – AK, AR, IA, ID, IL, IN, KS, KY, MI, MN, MO, MT, ND, NE, OH, OK, OR, SD, WA, WI, WY
Atlanta Office – AL, DC, FL, GA, MD, NC, PR, SC, TN, VA, WV
Valley Forge Office – CT, DE, MA, ME, NH, NJ, NY, PA, RI, VT

RTC Resolutions
May 1995
(Dollars in Millions)

Institution Name / City / State	Deal Type*	Resolution Date	Acquirer Name / City / State	Total Assets	Estimated Resolution Cost	Assets Passed to Acquirers Net of Putbacks	Percentage of Assets Passed
American S&LA, New York, NY	PA	05/05/95	Branch Sale to Various Institutions	$66.1	$8.4	$3.0	4.55%
Total				$66.1	$8.4	$3.0	4.55%
Grand Total—Inception through May 31, 1995				$241,490.4	$90,099.3	$51,047.2	21.14%

NA = Not Applicable

* Deal Type:

IDT = Insured Deposit Transfer

PA = Purchase of Assets and Assumption of Liabilities

PO = Insured Deposit Payout

Note: Assets and estimated cost data reflect post-closing revisions and may differ from preliminary data previously released.

Beginning Assets and Asset Reductions
Inception Through May 1995
(Dollars in Billions)

747 Resolved Institutions

	Cash & Securities /1	1–4 Family Mortgages	Other Mortgages	Other Loans	Real Estate /2	Subsid–iaries	Other Assets	Total
Assets at Takeover	$111.2	$115.3	$81.7	$30.5	$31.1	$11.3	$21.4	$402.4
<u>Reductions During Conservatorship</u>								
Sales Proceeds	61.5	28.9	7.8	5.9	7.4	0.4	2.2	114.1
Payment & Maturities	52.8	17.9	12.0	11.3	0.0	1.2	2.7	97.9
Other Changes (Net) /3	(50.1)	1.0	4.8	(6.0)	3.5	(1.8)	(1.6)	(50.2)
<u>Resolution & Receivership Reductions</u>								
Assets Passed (Net of Putbacks)	25.5	15.6	5.6	3.6	0.1	0.4	0.1	51.0
Principal Collections	18.2	43.5	30.6	9.8	9.1	7.2	8.6	127.0
Other Changes (Net) /4	1.7	6.0	16.0	4.2	9.2	(0.2)	7.7	44.6
Total Assets as of May 31, 1995	$1.6	$2.4	$5.0	$1.6	$1.6	$4.1	$1.7	$17.9

/1 Excludes $14.0 billion in cash, investments (including restricted investments), and accounts receivables accumulated by receiverships.

/2 Transfer of REO from one subsidiary to a receivership is included in Other Changes.

/3 Includes net losses on sales, charge–offs of goodwill and certain equity investments and other assets, accumulation and investment of cash, and new loans and asset purchases. For receiverships, accounting adjustments made at resolution are also included.

/4 Includes asset balance adjustments and principal losses.